

Message Text

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ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 CIEP-01 OMB-01

SS-15 NSC-05 SP-02 L-03 CIAE-00 INR-07 NSAE-00 SSO-00

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FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 1889

C O N F I D E N T I A L JIDDA 5083

STATE PASS TREASURY FOR PARSKY

E.O. 11652: GDS

TAGS: EFIN, SA

SUBJECT: FINDUSTRY PROPOSAL

REF: A. JIDDA 4634 B. JIDDA 4700 C. STATE 157512

D. JIDDA 5013 E. STATE 166140

1. JUST PRIOR TO OUR RECEIPT OF REF E, KAMAL ADHAM RECEIVED ANOTHER ONE OF FINDUSTRY'S GROTESQUELY WORDED TELEGRAMS (QUOTE: YOUR EARLIEST CONVENIENT RESPONSE HERETO BY WHATEVER MEANS YOU DEEM MOST EXPEDIENT WOULD BE CONSIDERED AS PERFECT GRACE. END QUOTE.) HE HAS TOLD US HIS SENSE OF HUMOR IS JUST ABOUT WORN OUT, HOWEVER, AND HE IS MORE THAN A LITTLE CONCERNED THAT FINDUSTRY CONTINUES TO HINT IN THESE COMMERCIAL TELEGRAMS OF THE OPPORTUNITIES FOR PROFIT (QUOTE: INDIVIDUAL UTTERANCES TO THE CONTRARY NOTWITHSTANDING, THERE IS A REAL EARNEST SINCERE DEEP DESIRE FOR SAUDI INVESTMENT AT THE BASIC LEVEL WHERE PROFIT ALWAYS ABOUNDS. END QUOTE.) ADHAM HAS JUST BEEN PROMOTED TO YELL MINISTER, AND WITH THE SAG HIGHLY SUSCEPTIBLE TO ALL QUESTIONS OF AGENT'S FEES, AND WITH SAUDI ARABIA NOW UNDER SENATOR CHURC'S JEWELLER'S LOUPE, THE FINDUSTRY MESSAGES ARE AT LEAST

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TACTLESS ANA INSENSITIVE.

4. WE HAVE HAD TO READ FINDUSTRY'S LATEST MESSAGE AND
WE NOW ASK THE DEPARTMENT TO DO SO: QUOTE:

IN KEEPING WITH ALL PRIOR COMMUNICATIONS AND PRESENTATIONS
AS WELL AS IMPLEMENTATION TO COMPLY WITH PROTOCOL YOUR
ATTENTION IS DIRECTED TO THE EDITORIAL IN THE
WALL STREET

JOURNAL DATED JULY 8, 1975 ENTITLED HEAD ON THE STREET.

WHETHER THIS AUTHOR IS CORRECT OR A FOOL SHOULD NOT BE
THE DEBATABLE QUESTION BUT THE ISSUE MUST BE HOW THROUGH
INFINITE WISDOM CAN ALL PARTIES CONCERNED BE MAINTAINED
AT THE ACQUIRED AND INSPIRED LEVEL OF ECONOMYK PROGRESS.
FINDUSTRY PROPOSES THE PLAN THAT IS THE HEDGE. THUS,
WITH GEORGE SCHULTZ, THE NEW PRESIDENT OF BECHTEL CORP-
ORATION, IN A CONSULTATIVE POSITION TO FINDUSTRY TO SUP-
PLEMENT THE EFFORT OF ARTHUR D. LITTLE COMPANY OF BOSTON,
MASSACHUSETTS, USA, WHO IS CONTEMPLATING A FULL ECONOMIC
FEASIBILITY STUDY OF THE FINDUSTRY PROPOSAL, AND WITH THE
PREPARATION OF A COMPLETE BUSINESS OPERATION PLAN FOR
SUBMISSION TO BANK OF AMERICA FOR ITS APPROVAL--PROVIDING
THE THIRD ALTERNATIVE PROPOSAL IS ACCEPTED--OR TO YOAIF
EITHER OF THE FIRST OR SECOND ALTERNATIVE PROPOSALS IS
PREFERRED, WHEREBY NOT ONLY THE PROPOSED ACQUISITIONIS
SCRUTINIZED BUT ALTERNATIVES ARE BEING CONSIDERED AND
EVALUATED. THIS FINDUSTRY PROPOSAL IS SUPER ENGINEERED
AND CONSIDERS THE MUTALITY OF NEED. INDIVIDUAL UTTERANCES
TO THE CONTRARY NOTWITHSTANDING, THERE IS A REAL EARNEST
SINCERE DEEP DESIRE FOR SAUDI INVESTMENT AT THE BASIC
LEVEL WHERE PROFIT ALWAYS ABOUNDS. FOOD, ENERGY, CLOTHING,
HOUSING AND TRANSPORTATIONS ARE THE NECESSITIES. CRUDE OIL
IS A BASIC IN EACH OF THESE NECESSITIES. FINDUSTRY IS
A GROUND FLOOR PROPOSAL WHERE ITS PARTICIPANTS ARE IN THE
MOST ECONOMICALLY DESIRABLE POSITION. A JOINT VENTURE AS
PROPOSED UNDER MUTUALLY AGREEABLE TERMS IS A PART OF
THE FUTURE OF BOTH PARTIES. THE ONLY QUESTION IS WHEN
AND UNDER WHAT CIRCUMSTANCES. ALL OF THE ABOVE COMBINED
LEAD US TO THE SPECIFIC POINT THAT FURTHER PROGRESS NEED
NOW EXIST FOR THE STATEMENT OF A PROPOSAL IN PRINCIPLE
TO BE PRESENTED TO THE U.S. COMMITTEE ON FOREIGN INVEST-
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MENT FOR APPROVAL. IN ORDER TO FACILITATE THIS ACCOM-
PLISHMENT THEFOLLOWING SUGGESTION AS TO THE ORDER OF
PROTOCOL IS A STATEMENT OF APPROVAL OF CONCEPT WITH
RESPECT TO THE FINDUSTRY PROPOSAL BY SAUDI INTEREST.
THEN FINDUSTRY REPRESENTATIVES SHOULD VISIT JEDDAH TO
DETAIL THE OPERATION CONCOMITANTLY WITH AT STATEMENT BY
MR. GERALD PARSKY ASSISTANT SECRETARY TREASURY OF THE
U.S. POLICY POSITION RE SUCH A JOINT VENTURE. THE LAST

STEP WOULD BE AN APPROVAL BY THE U.S. SAUDI ARABIAN
JOINT COMMISSION. FINDUSTRY THUS REQUESTS YOUR DEEP AND
SINCERE CONSIDERATION TO THE END THAT NEGOTIATIONS CAN
COMMENCE IN A PLACE OF YOUR CONVENIENCE DURING THE WEEK
OF JULY 16 THROUGH 23, 1975. YOUR EARLIEST CONVENIENT
RESPONSE HERETO BY WHATEVER MEANS YOU DEEM MOST EXPEDIENT
WOULD BE CONSIDERED AS PERFECT GRACE. FINDUSTRY INTERNATIONAL
INC. ARTHUR A. FLETCHER CHAIRMAN BOARD OF DIRECTORS,
MAURICE A. DAWKINS PRESIDENT BY GEORGE L. VAUGHN JR.

5. WE HAVE PROVIDED ADHAM WITH INFO PER REF E, AND HE IS GRATEFUL.
WE NOTE THAT FINDUSTRY MESSAGE SPEAKS OF CONSULTATIONS TO
BEGIN WEEK OF JULY 16; OUR GUESS IS THAT FINDUSTRY -- WHATEVER ITS
ORIGIONAL CHANCES COULD HAVE BEEN -- HAS COOKED ITS GOOSE
IN SAUDI ARABIA.
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